



## Press Release

### **Prince Pipes Delivers Healthy Profitability in Q4 FY23 EBITDA at ₹148 crore, Margins improve to 19.4% PAT at ₹ 94 crore**

**Mumbai, May 25, 2023:** Prince Pipes and Fittings Limited (PPF), one of India's largest integrated piping solutions & multi polymer manufacturers with seven strategically located plants across the country, today announced its audited financial results for the quarter and year ended 31<sup>st</sup> March 2023. The audited financial results were reviewed by the audit committee and approved by the Board of Directors in their meeting held on May 25<sup>th</sup>, 2023.

#### **Key Financial Highlights:**

<b>Rs. in Crore</b>	<b>Q4FY23</b>	<b>Q3FY23</b>	<b>Growth%</b>	<b>Q4FY22</b>	<b>Growth%</b>
<b>Revenue</b>	<b>764</b>	706	<b>8</b>	901	<b>(15)</b>
<b>Volume MT</b>	<b>44,317</b>	43,693	<b>1</b>	45,287	<b>(2)</b>
<b>EBITDA</b>	<b>148</b>	69	<b>114</b>	140	<b>6</b>
<b>PAT</b>	<b>94</b>	35	<b>168</b>	88	<b>7</b>

- Revenue at ₹ 764 crore as compared to ₹ 706 crore in Q3 FY23
  - Focused efforts in brand premiumisation and optimized product mix of plumbing and SWR categories, led to improved realisations QoQ
- EBITDA at ₹ 148 crore as compared to ₹ 69 crore, grew by 114% QoQ, margin at 19.4%
- PAT at ₹ 94 crore as compared to ₹ 35 crore in Q3 FY23, grew by 168% QoQ

#### **Key Financial Highlights: FY23 compared to FY22**

<b>Rs. in Crore</b>	<b>FY23</b>	<b>FY22</b>	<b>Growth%</b>
<b>Revenue</b>	<b>2,711</b>	2,657	<b>2</b>
<b>Volume MT</b>	<b>157,717</b>	1,39,034	<b>13</b>



- The Company has delivered marginally improved Revenue performance at ₹ 2,711 crore
- EBITDA at ₹ 250 crore as compared to ₹ 415 crore, margins at 9%
- PAT at ₹ 121 crore as compared to ₹ 249 crore
- Improvement in Net Working capital days – **57 days** in March 2023 as compared to **68 days** in March 2022
  - Strong cash conversion as Inventory at **57 days** in March 2023 as compared to **85 days** in March 2022
  - Net Cash position ~ **₹ 158 crore** as of March 2023
- Company continues to remain long term debt free

### Key Business and Operating Highlights:

- **Performance for FY23 was adversely impacted by sharp decline in PVC prices leading to destocking and inventory losses severely impacting performance in H1 FY23**
  - After a steep correction of ~ Rs. 66 per kg from April till November 2022, PVC prices recovered in December and were largely range bound till March 2023
- **Resilient performance of Q3 FY23 continued in Q4 FY23 with operational margins rebounding to normalized levels**
  - Company delivered healthy profitability in Q4 FY23 led by stable input prices and focus on improving product mix
  - Continue to launch state-of-the-art products in Piping division as a part of the Company's growth strategy to bring innovative and global products to the domestic market
- **New product launches:**
  - **Prince OneFit with Corzan CPVC Technology**, 2<sup>nd</sup> product in collaboration with Lubrizol, global leaders in CPVC
  - **WireFIT**, range of Electrical Conduit Pipes & Fittings
- **Company migrating to a global ERP system from a legacy system in Q1 FY24**
  - The implementation witnessed certain transitioning challenges causing temporary impact to business processes and performance in Q1 FY24
- **Expansion in the Eastern region with greenfield capacity planned in the state of Bihar**
  - To bolster its presence in East India, the Company plans to add ~ 35,000 MT Pipes greenfield capacity in Bihar at an estimated cost of ~ Rs. 150 crore
  - The Company shall share further details at a later stage following the completion of regulatory and necessary approvals



- **Chennai plant achieved IGBC Gold Rated Green Factory Building** certification by the Indian Green Building Council (IGBC)
  - Earlier the Jaipur plant had achieved Platinum rated Green Building certification by IGBC
- **Supporting Indian innovation** with IIT Bombay – Prince Pipes is a key partner in the achievement of Team SHUNYA of IIT Bombay at the Solar Decathlon in the United States. The team received several awards at the event which was a unique initiative in Sustainable Constructions and Building a Sustainable Future
  - Team SHUNYA was the only team representing India in this competition organized by the US Department of Energy, often called the 'Olympics of Sustainable Architecture.
- **Persistent focus on Environment, Social and Governance [ESG] goals:**
  - Total Carbon footprint generation increased from 49,645 MT in FY22 to 57,482 MT in FY23, i.e., increase of 15.8%
  - Carbon footprint in kg of CO2 per Kg of production increased from 0.387 in FY22 to 0.394 in FY23, i.e., increase of 1.8%
  - Renewable source of energy increased from 15.96% in FY22 to 17.06% in FY23, i.e., increase of 6.9%

**Commenting on the performance, Mr. Parag Chheda, Joint Managing Director, Prince Pipes and Fittings Limited, said, “The year saw an unprecedented volatility in input costs in PVC prices which led to significant inventory losses adversely affecting our profitability in H1FY23. We were able to mitigate the situation by cost and inventory optimization efforts. This trend reversed moderately from December 2022 and our resilient performance of Q3 FY23 strongly bounced back in Q4 FY23 with significant improvement in operational margins. In Q4, we reported a healthy profitability led by stable input prices and an improving product mix.**

*We continued to expand our product portfolio with the launch of state-of-the-art products in the Piping division, aligned to the Company’s growth strategy of bringing innovative and global products to the domestic market. Our roll out of Modern Plumbing products is on course with encouraging response from channel partners. Simultaneously, we are also implementing new, improved technologies to be future-ready, and all these efforts are key growth-oriented strategic measures towards better performance in FY 23-24. We are also set to launch the Bathware range towards the end of Q1 and are excited to deliver quality products and backed by a robust service network.*



*On an overall basis, with industry potential being intact, Prince Pipes will continue to take definite strides towards innovation, in building a robust portfolio and implementation to capitalize on opportunities, where the Prince brand can bring its expertise, knowhow, and service quality.”*

**About the Company:**

Prince Pipes and Fittings Limited (PPFL) (NSE: PRINCEPIPE | BSE: 542907) is one of India's largest integrated piping solutions & multi polymer manufacturers, based in Mumbai, Maharashtra. Incorporated in 1987, Prince is one of the fastest growing companies in the Indian pipes and fittings industry. Over 3 decades, the company has been engaged in the manufacturing of polymer piping solutions in four types of polymers - CPVC, UPVC, HDPE, PPR. In August 2020, the Company announced its association with Lubrizol - inventors and largest manufacturers of CPVC compounds worldwide, headquartered in the United States; and thereafter launched Prince Flowguard Plus CPVC plumbing systems. In January 2023, the company was included in the Business Today's 500 Most Valuable Companies list.

With a network of more than 1,500 distributors, PPFL is steadily increasing pan-India distributor base to ensure stronger customer proximity to respond faster to their needs. Prince Pipes and Fittings Limited has 7 state-of-the-art manufacturing units located across the country at Haridwar (Uttarakhand), Athal (Dadra and Nagar Haveli), Dadra (Dadra and Nagar Haveli), Kolhapur (Maharashtra), Chennai (Tamil Nadu), Jobner (Rajasthan) and Sangareddy (Telangana).

**For more information:** visit [www.princepipes.com](http://www.princepipes.com) or follow us on Twitter [@Prince\\_Pipes](https://twitter.com/Prince_Pipes)

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